

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION  
LEGISLATION COMMITTEE**

**2005-2006 BUDGET SENATE ESTIMATES HEARING  
30, 31 MAY and 3 JUNE 2005**

**EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

**QUESTIONS ON NOTICE**

**Office of the Employment Advocate**

**Question Number: W257-06**

**Question:**

Senator Marshall provided in writing:

Has the Department/OEA conducted any time and cost studies on the negotiation and approval processes for AWAs? Please table this research.

**Answer:**

The OEA has not conducted any research concerning the time and cost associated with the process of negotiating AWAs.

To attribute resources to particular outputs the OEA uses cost accounting methodology. In relation to AWA approval processes, the OEA derives an AWA Unit Transaction Cost using this methodology.

This methodology/process was set up using internal research resources, rather than external consultants and adopts the same principle as the Commonwealth Government approach to costing portfolio outcomes. The cost accounting method uses cost drivers to attribute overhead costs within OEA. Costs are then allocated to identified outputs using a variety of cost drivers, including timesheet analysis and manager assessment of workload distribution.

It is also a 'top down' method to get a 100 per cent split of OEA resource distribution, rather than a 'bottom up' approach to obtain direct input costs. This method also includes overhead activities such as training and development into the cost of the outputs (in this case, the processing component).

The unit transaction cost for the 04-05 year to date (to end March 2005) is \$60.07.